

**CONSOLIDATED PLAN
PROGRAM YEAR 2017
PROPOSED ACTION PLAN
(JULY 1, 2017 THROUGH JUNE 30, 2018)**

**FOR
HOUSING AND COMMUNITY DEVELOPMENT**

PREPARED BY:

**Shelby County Department of Housing
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**MARK H. LUTTRELL, JR., MAYOR
SCOTT WALKUP, DEPARTMENT ADMINISTRATOR**



TABLE OF CONTENTS

Executive Summary.....	Page 2
<u>PR-05 Lead & Responsible Agencies.....</u>	Page 8
<u>AP-10 Consultation</u>	Page 9
<u>AP-12 Participation</u>	Page 14
Annual Action Plan	Page 18
<u>AP-15 Expected Resources.....</u>	Page 18
<u>AP-20 Annual Goals and Objectives.....</u>	Page 21
<u>AP-35 Projects.....</u>	Page 25
<u>AP-38 Projects Summary.....</u>	Page 26
<u>AP-50 Geographic Distribution</u>	Page 31
<u>AP-55 Affordable Housing.....</u>	Page 32
<u>AP-60 Public Housing</u>	Page 33
<u>AP-65 Homeless and Other Special Needs Activities.....</u>	Page 34
<u>AP-75 Barriers to affordable housing.....</u>	Page 38
<u>AP-85 Other Actions.....</u>	Page 40
<u>AP-90 Program Specific Requirements</u>	Page 43
Attachments	Page 47
<u>Citizen Participation Comments.....</u>	Page 48
<u>Grantee Unique Appendices</u>	Page 49
<i>Planned Activities to Address Impediments to Fair Housing.....</i>	Page 49
<u>SF-424 and Certifications</u>	<i>To be added once review and comment period ends</i>

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

This Annual Plan outlines the use of Program Year 2017 federal funds granted to Shelby County by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs. The Plan covers the period from July 1, 2017 through June 30, 2018 and marks the fourth year of the Consolidated Plan 5-Year Strategy. Activities associated with the use of these funds are designated for the Shelby County Urban Entitlement Area including the municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington as well as unincorporated areas of Shelby County. Programs and activities described in this plan are intended to primarily benefit low- and moderate-income residents of the Shelby County Urban Entitlement Area including areas with concentrations of low- and moderate-income residents. Shelby County will also use this plan as a basis for coordination with other federal, state, and local programs and initiatives. A share of funds will also be available for use in support of and to match a Lead Hazard Control Grant and Healthy Homes Grant County-wide (in accordance with grant enrollment priorities) to benefit low- and moderate-income residents with children less than six years of age

The Shelby County Urban Entitlement Area is a diverse community composed of a mixture of suburban and rural development. The map below depicts the Shelby County Urban County Entitlement Area (outlined in bold black lines) as well as low- and moderate income census tracts in Shelby County.

This plan is derived from the proposed plan made available for public review and comment during April 2017. At the time of the issuance of the proposed plan, Program Year 2017 HUD Allocations had not been determined as Congress had not yet passed a continuing resolution to appropriate the funds. Therefore, the plan was prepared in accordance with guidance found in HUD Notice CPD-16-18 which described how grantees should plan for the use of Program year 2017 funds. The proposed plan indicated in the event that the described anticipated resources/allocation of funds in the Annual Plan

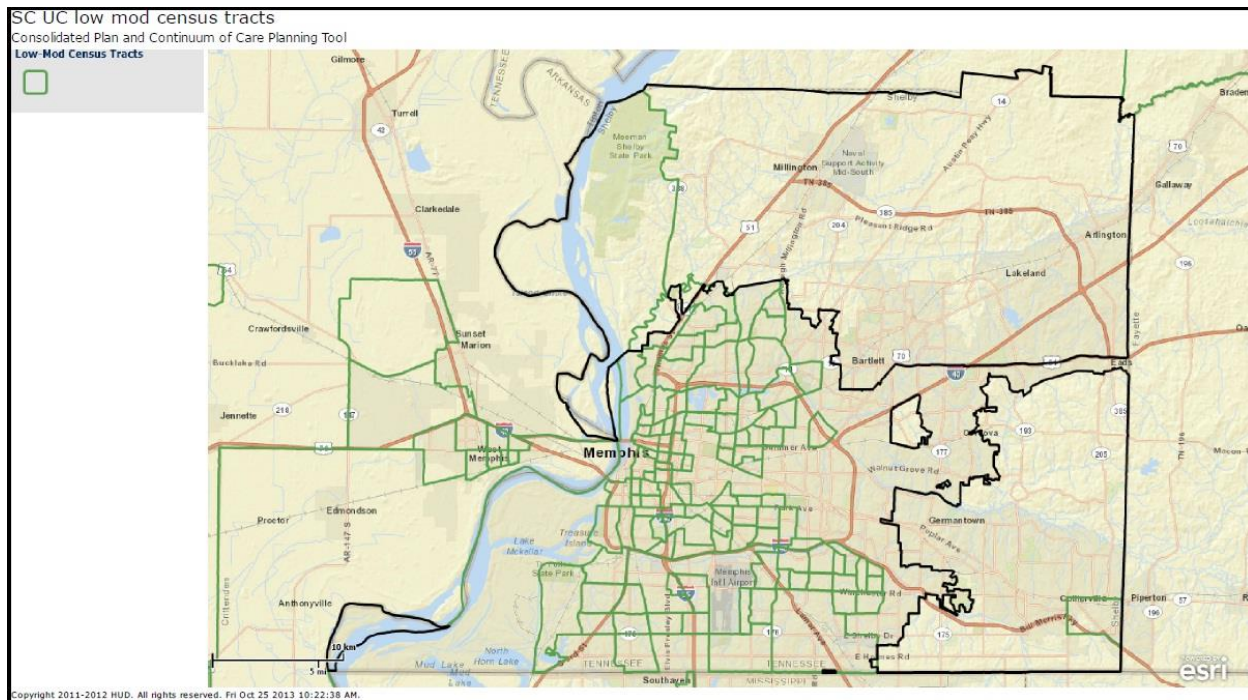
differed greatly due to final 2017 Program Year allocations for CDBG and HOME, SCDH proposed adjusting funding commiserate with the increase or decrease according to the following priorities:

Priority 1: Housing Rehabilitation and Minor Home Repair

Priority 2: Flood drain improvements, parks/recreational facilities, senior centers, sidewalks, street improvements and/or water and sewer service improvements identified as recommended high priority projects by Urban County Consortium members as projects responsive to high priority non-housing community development needs.

The proposed plan issued in April 2017 used the prior program year allocation amounts to establish anticipated resources for Program Year 2017. Allocation amounts became available in June 2017. The CDBG allocation increased by \$14,348 and the HOME allocation decreased by \$8,472 from the prior year. Based on these allocations, the increase in CDBG funds was applied to the budget for Housing Rehabilitation and Minor Home Repair after adjusting administration & planning and program delivery to reflect the increase. In contrast, the decrease in HOME funds was applied to the budget for Housing Rehabilitation and Minor Home Repair after adjusting administration & planning, match, and the CHDO set-aside to reflect the decrease.

Finally, SCDH proposes applying all CDBG program income and unallocated funds received during each program year toward the Housing Rehabilitation program and/or Minor Home Repair Program.



Shelby County Low- and Moderate Income Census Tracts

2. Summarize the objectives and outcomes identified in the Plan

High priority needs identified in the 5 Year Strategy planning process include:

- Housing Rehabilitation, Modification, & Repair;
- Flood Drain Improvements;
- Parks and Recreational Facilities;
- Senior Centers;
- Sidewalks,
- Street Improvements; and
- Water and Sewer Improvements.

The 5 Year Strategy established three goals to guide the use of CDBG and HOME funds from June 1, 2014 through June 30, 2019 in order to address high priority needs identified in the 5 year Strategy. These three goals are described and summarized below.

Goal 1. Preserve the existing housing stock & create opportunities for affordable housing.

Categories: Affordable Housing & Non-Homeless Special Needs

Needs Addressed: Housing Rehabilitation, Modification, & Repair

Outcomes: Rehabilitated owner-occupied housing units

Goal 2. Reduce the harmful affects of lead-based paint

Categories: Affordable Housing

Needs Addressed: Housing Rehabilitation, Modification, & Repair

Outcomes: Lead-safe housing units with children less than 6 years of age

Goal 3. Improve communities

Categories: Accessibility & Non-Homeless Special Needs

Needs Addressed: Flood drain improvements, parks and recreational facilities, senior centers
sidewalks, and street improvements

Outcomes: Public facilities or infrastructure activities

3. Evaluation of past performance

SCDH has been a CDBG Urban Entitlement grantee since 1992 and a HOME participating jurisdiction since 1994. Since that time, SCDH has sought to expand its partnership base in order to utilize existing resources more efficiently and create greater impact for each HUD dollar spent in Shelby County. Since becoming a grantee, SCDH has inspected over 1,000 housing units, fully rehabilitated more than 800 homes, made more than 800 units lead safe, and completed more than 100 public facility and infrastructure projects. This record of successful accomplishment has been integral to regularly exceeding program goals and benchmarks and has established the capacity to implement the strategies necessary to address the high priority housing and community development needs described in this 5-Year Strategy.

4. Summary of Citizen Participation Process and consultation process

SCDH held a public hearing to solicit input on community development needs on January 24, 2017 to inform preparation of this proposed plan. The hearing was advertised in the *Commercial Appeal*, the *Millington Star*, *The Bartlett Express*, *The Germantown News*, *The Collierville Herald*, and *La Prensa* (in Spanish). Those with special needs were encouraged to contact SCDH in advance of the hearing so that arrangements for accommodations could be made. No one attended the hearing and no comments were received. SCDH also met with the

Urban County Consortium on November 15, 2016 to review the planning process and discuss community development needs to also inform preparation of the proposed Annual Plan. During June 2017 once allocations were announced, SCDH sought input and approval from the Urban County for the plan as revised.

5. Summary of public comments

No public comments were received as a result of the public hearings on January 24, 2017 or April 18, 2017. Written comments on this proposed plan should be directed in writing by mail or email to the attention of Scott Walkup to either of the addresses below.

Mr. Scott Walkup
Shelby County Department of Housing
1075 Mullins Station Road
Memphis, Tennessee 38134

scott.walkup@shelbycountyttn.gov

6. Summary of comments or views not accepted and the reasons for not accepting them

At the time of preparation of this proposed plan, no views or comments had been received and so no views were not accepted.

7. Summary

SCDH anticipates receiving \$1,107,822 in Program Year 2017 CDBG funds and \$305,779 in Program Year 2017 HOME funds to address high priority needs. By addressing these needs, SCDH will advance the goals to preserve the existing housing stock and create opportunities for affordable and fair housing, reduce the harmful affects of lead-based paint to include healthy homes interventions, and improve communities in Shelby County. During the third year of the 5-Year Strategy period, as described in the One Year Action Plan for the period of July 1, 2017 through June 30, 2018, SCDH will utilize these CDBG and HOME resources to accomplish the following:

1. Rehabilitation of 20 homes including 5 with accessibility modifications for residents with special needs,
2. Creation of 15 lead-safe housing units,
3. Acquisition of one unit to create an affordable housing opportunity utilizing CHDO funds, and

4. Implementation of 1 non-housing community development projects.

Additionally, at the time of the planning process for preparing this Annual Plan, CDBG Disaster Recovery projects from disasters in 2010 were nearing completion and preparing for closeout.

Planned activities for the program year to address impediments to fair housing in order to affirmatively further fair housing are described in the grantee unique appendices.

Finally, this Annual Plan marks the fourth year under the current 5-Year Strategy.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	SHELBY COUNTY	
CDBG Administrator	SHELBY COUNTY	Department of Housing
HOME Administrator	SHELBY COUNTY	Department of Housing

Table 1 – Responsible Agencies

Narrative (optional)

SCDH served as the lead agency responsible for preparing this Annual Plan and is also the major public agency responsible for administering all CDBG and HOME assisted programs covered by this Annual Plan. SCDH will be advised by the Urban County Consortium and will be under the direct authority of the Mayor of Shelby County, who will have final approval for all expenditures. The Urban County Consortium is composed of the Mayor of Shelby County and the Mayors of the six Entitlement Area municipalities (Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington), or their respective designee.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

SCDH has taken steps to enhance coordination with public and assisted housing providers, providers of services for the nonhomeless having special needs, the Continuum of Care, and Urban County Consortium members.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

SCDH coordinated with all municipalities in the Urban County Consortium (Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington) in preparing the 5 Year Strategy that guides this Annual Plan. SCDH relied upon information and input from a wide range of housing providers and health/mental health agencies, especially for drafting the needs assessment, including The Community Alliance for the Homeless, The City of Memphis Division of Housing and Community Development, the Plough Foundation, the Memphis Mental Health Institute, and the Shelby County Health Department Ryan White Program.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Information provided by the Community Alliance for the Homeless was used for the homeless special needs section of the Needs Assessment, and the Alliance was asked to review and comment on the initial draft of this section in the Needs Assessment.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Shelby County is not a recipient of ESG funds and therefore did not consult with the Continuum(s) of Care to determine how to allocate ESG funds, determine performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Consultation with agencies, groups, and organizations is described in Table 2.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	ARLINGTON
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.
2	Agency/Group/Organization	BARTLETT
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.
3	Agency/Group/Organization	COLLIERVILLE
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.
4	Agency/Group/Organization	Germantown
	Agency/Group/Organization Type	Other government - Local

	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.
5	Agency/Group/Organization	Lakeland
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.
6	Agency/Group/Organization	MILLINGTON
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing and Community Development Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	

Identify any Agency Types not consulted and provide rationale for not consulting

As a member of the Urban County Consortium, this municipality was engaged in all aspects of the planning process, particularly by identifying and prioritizing non-housing community development needs.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Community Alliance for the Homeless	SCDH does not receive direct funding for homelessness prevention. However, Shelby County Government supports the efforts of the Community Alliance for the Homeless. The Alliance was asked to provide input regarding homelessness needs into the proposed plan.

Table 3 – Other local / regional / federal planning efforts

Narrative

Coordination with local units of government, particularly the six municipal members of the Urban County Consortium, is detailed in the above table of organizations consulted.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

SCDH held a public hearing on community development needs on January 24, 2017 to inform preparation of this proposed plan. The hearing was advertised in the *Commercial Appeal*, the *Germantown News*, the *Tri-State-Defender*, the *Bartlett Express*, the *Collierville Herald*, the *Millington Star*, and *La Prensa Latina*. Those with special needs were encouraged to contact SCDH in advance of the hearing so that arrangements for accommodations could be made. No one attended the hearing aside from SCDH staff and no comments were received.

Written comments on this proposed plan should be directed in writing by mail or email to the attention of Scott Walkup to either of the addresses below.

Mr. Scott Walkup
Shelby County Department of Housing
1075 Mullins Station Road
Memphis, Tennessee 38134

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Not applicable.	No comments received.	Not Applicable - Public Notice published in the COMMERCIAL APPEAL on January 7, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	
2	Newspaper Ad	Germantown community	Not applicable.	No comments received.	Not Applicable - Public Notice published in the GERMANTOWN NEWS on January 11, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	Minorities	Not applicable.	No comments received.	Not Applicable - Public Notice published in the TRI-STATE DEFENDER on January 12, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	
4	Newspaper Ad	Bartlett community	Not applicable.	No comments received.	Not Applicable - Public Notice published in the BARTLETT EXPRESS on January 12, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	
5	Newspaper Ad	Collierville community	Not applicable.	No comments received.	Not Applicable - Public Notice published in the COLLIERVILLE HERALD on January 12, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Millington community	Not applicable.	No comments received.	Not Applicable - Public Notice published in the MILLINGTON STAR on January 12, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	
7	Public Meeting	Non-English Speaking - Specify other language: Spanish	Not applicable.	No comments received.	Not Applicable - Public Notice published in LA PRENSA LATINA on January 12, 2017 to promote a public hearing on Community Development Needs held on January 24, 2017.	
8	Public Hearing	Non-targeted/broad community	No one attended aside from SCDH staff.	No comments were received.	Public hearing on Community Development Needs held on January 24, 2017. No comments were received.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

At the time of preparation of the initial proposed Annual Plan, allocation amounts for CDBG and HOME for HUD the 2017 Program Years had not been announced. The anticipated resources in this revision to the proposed Annual Plan are based upon allocations announced in June 2017.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,122,171	10,000	0	1,132,171	1,011,705	Expected remaining resources are based upon generally level funding from Program Year 2013 (as described in the 5-year Strategy).
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	297,307	15,000	0	312,307	252,947	Expected remaining resources are based upon generally level funding from Program Year 2013 (as described in the 5-year Strategy).

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds will leverage additional resources including approximately \$75,000 in private funds through nonprofit CHDO developers receiving the HOME CHDO set-aside funds and approximately \$67,000 in local funds to meet HOME matching requirements.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

It is not anticipated that publically owned land or property located within the jurisdiction will be used to address the needs identified in the plan.

Discussion

Since this plan is being prepared in advance of the announcement of Program Year 2017 allocations, it is anticipated that these resources will change before final submission of the Annual Plan. Dramatic or unexpected shifts in funding could substantially alter this description of anticipated resources.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Preserve & create housing affordability & choice	2014	2018	Affordable Housing Non-Homeless Special Needs Fair Housing	Shelby County Urban County Entitlement Area Shelby County, Tennessee	Housing Rehab, Modification, Repair, & Choice	CDBG: \$359,479 HOME: \$304,875	Public service activities for Low/Moderate Income Housing Benefit: 90 Households Assisted Homeowner Housing Rehabilitated: 25 Household Housing Unit Other: 1 Other
2	Reduce the harmful affects of lead-based paint	2014	2018	Lead-Safe Housing for Families with Children under 6 Years of Age	Shelby County, Tennessee		CDBG: \$100,000	Other: 20 Other
3	Improve communities	2014	2018	Non-Housing Community Development	Shelby County Urban County Entitlement Area	Parks and Recreational Facilities	CDBG: \$200,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 25 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Preserve & create housing affordability & choice
	Goal Description	Housing Rehabilitation; CHDO Housing
2	Goal Name	Reduce the harmful affects of lead-based paint
	Goal Description	Minor Home Repair to Address Lead Hazards
3	Goal Name	Improve communities
	Goal Description	Millington South Park

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

During Program Year 2017, Shelby County estimates that affordable housing will be provided to one (1) extremely low-income, low-income, or moderate-income family in partnership with a nonprofit developer receiving HOME CHDO set-aside funds.

AP-35 Projects – 91.220(d)

Introduction

Funds allocated during the 2017 Program Year will be used for the following activities: Housing rehabilitation and minor home repair using CDBG and HOME funds, CHDO affordable housing project using the HOME CHDO set-aside, South Park improvements in Millington using CDBG funds, a fair housing public service project, program delivery costs using CDBG funds, and administration and planning costs using CDBG and HOME funds.

SCDH proposes applying all CDBG program income and unallocated funds received during each program year toward the Housing Rehabilitation program and/or Minor Home Repair Program.

#	Project Name
1	Housing Rehabilitation and Minor Home Repair
2	CHDO Affordable Housing Development
3	Fair Housing - Public Services
4	South Park (Millington)
5	CDBG Program Delivery
6	Administration and Planning

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Allocation priorities were based upon needs identified through the citizen participation process as well as from the guidance and input of the Urban County Consortium throughout the planning process. Obstacles to address underserved needs identified in the planning process are primarily a function of limited resources.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	Housing Rehabilitation and Minor Home Repair
	Target Area	Shelby County Urban County Entitlement Area Shelby County, Tennessee
	Goals Supported	
	Needs Addressed	Housing Rehab, Modification, Repair, & Choice
	Funding	CDBG: \$459,479
	Description	Scattered site housing rehabilitation and minor home repair.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	35 low- and-moderate income owner-occupied homes including 15 lead-safe housing units under the Lead Hazard Control Program (Minor Home Repair) and some elderly households and some households with children less than 6 years of age (25 homeowner rehabilitations and 10 units made lead safe).
	Location Description	To be determined based upon client intake/enrollment.
	Planned Activities	Rehabilitation of 35 owner-occupied houses to bring homes into code compliance and minor home repair to produce 15 lead safe housing units for families/households with children less than six years of age.
2	Project Name	CHDO Affordable Housing Development
	Target Area	Shelby County Urban County Entitlement Area
	Goals Supported	Preserve & create housing affordability & choice
	Needs Addressed	Housing Rehab, Modification, Repair, & Choice

	Funding	HOME: \$44,597
	Description	Development of affordable housing by a CHDO using HOME CHDO set-aside funds.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Acquisition and rehabilitation of a vacant housing unit to create and affordable housing unit for sale to a qualifying low/moderate income homebuyer.
	Location Description	Shelby County Urban County Entitlement Area
	Planned Activities	Development of affordable housing by a CHDO using HOME CHDO set-aside funds.
	Planned Activities	Development of affordable housing by a CHDO using HOME CHDO set-aside funds.
3	Project Name	Fair Housing - Public Services
	Target Area	Shelby County Urban County Entitlement Area
	Goals Supported	Preserve & create housing affordability & choice
	Needs Addressed	Housing Rehab, Modification, Repair, & Choice
	Funding	CDBG: \$50,000
	Description	Fair housing outreach in partnership with Memphis Area Legal Services.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Through an RFP process to identify a fair housing service provider, SCDH expects to provide housing and fair housing services for 90 residents of Shelby County.
	Location Description	This is a Public Service activity and is not associated with a specific location.

	Planned Activities	<p>The consultant will document the nature and resolution of calls, make appropriate referrals, maintain demographic data, provide or refer clients to court representation, provide community education and outreach, and assist clients in resolving housing issues. A total of 90 Shelby County residents will be screened and/or served by this Project. Education and outreach will include 2 (two) seminars and/or group presentations on housing and fair housing issues. The consultant will also assist the County in addressing the barriers identified in the County's Analysis of Impediments to Fair Housing (AI).</p> <p>Complaints of alleged housing discrimination received from any source will be investigated and demographic data will be compiled concerning the facts surrounding the complaint, including the name of complainant, date of the complaint, nature of the problem, staff person(s) handling the complaint, the ethnic background of each client, the date the case is closed, and the resolution of the complaint.</p> <p>The consultant will screen housing complaints, accept housing complaints for investigation, and provide legal representation in cases involving the Fair Housing Act, The Uniform Landlord Tenant Act of Tennessee, The Housing Voucher Program, Tax Sales of Real Property, housing code violations and other issues related to equal housing opportunities. Additionally, the consultant will determine whether the complaint involves a fair housing violation. If the complaint is determined to be a possible violation of the fair housing laws, the consultant will investigate and enforce the fair housing laws or refer appropriately for enforcement.</p> <p>Testing and other methods will be used to investigate systemic housing discrimination or individual discrimination complaints. The consultant will use the procedure as set forth in the John Marshall Law School Tester Training Manual for recruiting and training prospective testers. A file will be maintained on the training of testers, on each tester trained and on all tester visits. No staff members, their immediate family members, or any persons involved with a fair housing complaint will be used as testers.</p> <p>The consultant will also assist the County in addressing the barriers identified in the County's Analysis of Impediments to Fair Housing (AI).</p>
4	Project Name	South Park (Millington)
	Target Area	Shelby County Urban County Entitlement Area
	Goals Supported	Improve communities

	Needs Addressed	Parks and Recreational Facilities
	Funding	CDBG: \$200,000
	Description	Project will be the improvements to South Park in Millington
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	The number of families that will benefit is to be determined based upon location and service area of the project(s) selected.
	Location Description	Shelby County entitlement area in a location(s) to be determined.
	Planned Activities	Planned activities include improvements to South Park in Millington to address high priority community development needs.
5	Project Name	CDBG Program Delivery
	Target Area	Shelby County Urban County Entitlement Area Shelby County, Tennessee
	Goals Supported	Preserve & create housing affordability & choice Reduce the harmful affects of lead-based paint Improve communities
	Needs Addressed	
	Funding	CDBG: \$198,258
	Description	
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	35 low- and moderate-income single family households as well as area beneficiaries in community development project areas.

	Location Description	Varies
	Planned Activities	Activities to support implementation of CDBG activities.
6	Project Name	Administration and Planning
	Target Area	Shelby County Urban County Entitlement Area Shelby County, Tennessee
	Goals Supported	Preserve & create housing affordability & choice Reduce the harmful affects of lead-based paint Improve communities
	Needs Addressed	Housing Rehab, Modification, Repair, & Choice
	Funding	CDBG: \$224,434
	Description	General administrative and planning activities necessary to operate HOME and CDBG programs.
	Target Date	6/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Not applicable.
	Location Description	Not applicable.
	Planned Activities	Not applicable.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

There are seven municipalities in Shelby County including Arlington, Bartlett, Collierville, Germantown, Memphis, Millington, and Lakeland. The Shelby County Urban Entitlement includes unincorporated Shelby County and all of these municipalities except Memphis.

SCDH does not propose emphasizing target areas or strategy areas as part of this Strategic Plan. This is primarily because concentrations of low- and moderate-income areas in the jurisdiction are limited, low- and moderate-income area and households are spread throughout the jurisdiction, and assistance is allocated based upon population data from each of the 6 municipalities within the jurisdiction. The Shelby County Urban Entitlement Area is a diverse community including a mixture of suburban and rural development.

Geographic Distribution

Target Area	Percentage of Funds
Shelby County Urban County Entitlement Area	85
Shelby County, Tennessee	15

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Since concentrations of low- and moderate-income areas in the jurisdiction are limited, direct assistance is prioritized to be available to eligible beneficiaries throughout the entitlement area and jurisdiction, while area-benefit activities are directed to benefit eligible low- and moderate-income areas.

Discussion

Housing services offered in accordance with the Strategic Plan will be made available on a county- or jurisdiction-wide basis. Non-housing community development activities will be rotated among the urban county consortium members as resources permit and in accordance with the Strategic Plan to provide benefits in low- and moderate-income areas or direct benefit to low- and-moderate income clients as applicable. A majority of funds is expected to be spent in the Entitlement Area with 15% of the funds being spent in support of the Lead Hazard Control and Healthy Homes Grant in accordance with grant enrollment priorities.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

SCDH has a one year affordable housing goal to assist 30 households through rehabilitation including 20 complete housing rehabilitation projects in the Urban County and 10 units receiving minor home repair to address lead-based paint hazards and provide healthy homes interventions in association with the 2016 Lead Hazard Control Grant. Additionally, as part of the 20 complete housing rehabilitation projects in the Urban County, SCDH has established an associated and linked one year affordable housing goal that 5 of these households will be non-homeless special needs households.

SCDH has also established a one year affordable housing goal to acquire one existing housing unit using CHDO set aside funds. It is anticipated that awarded CHDO funds beyond the cost of acquisition may be applied to eligible rehabilitation costs associated with the acquired unit.

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	26
Special-Needs	5
Total	31

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	30
Acquisition of Existing Units	1
Total	31

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

Of the 31 households to be supported as indicated in Table 11, 30 are expected to be through housing rehabilitation or minor home repair including 5 families with special needs (particularly disabled or elderly/frail elderly). The remaining household to be supported is expected to be through the creation of 1 CHDO unit.

AP-60 Public Housing – 91.220(h)

Introduction

The Millington Housing Authority requires little assistance from the SCDH. Kefauver Estates, the remaining public housing facility in the Urban County, is operated by the Memphis Housing Authority. SCDH will continue to assist both housing authorities as needed to ensure that its needs are met and the goal of providing safe, decent, and affordable housing for its residents is obtained.

Actions planned during the next year to address the needs to public housing

In Program Year 2017, the Shelby County Department of Housing will continue its efforts to serve the needs of extremely low-income, low-income, and moderate-income families residing in the jurisdiction served by the Millington Housing Authority.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Memphis Housing Authority has a Resident Advisory Board (RAB) established to provide activities and advocate for the rights of residents. The Memphis Housing Authority RAB is also responsible for assisting with and commenting on Memphis Housing Authority's 5 -Year Planning process. The Millington Housing Authority also has a Resident Advisory Board that meets annually. Additionally, MillHA publishes a newsletter to engage and inform residents.

As for homeownership, SCDH plans to continue implementing a homebuyer downpayment assistance program during the program year. This program could benefit qualified public housing residents seeking to own their own home. This program is funded using state and local funds. MillHA indicated it does not have plans to encourage public housing residents to participate in homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Neither PHA is designated as troubled.

Discussion

Both public housing authority operations located within the Urban County Entitlement Area are small and rely upon Resident Advisory Boards to encourage resident involvement in management. Neither Memphis nor Millington Housing Authorities are designated as troubled.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The Memphis/Shelby County Mayors' Action Plan to End Homelessness, the guiding set of strategies for the Memphis/Shelby County Continuum of Care (CoC), focuses on the evidence-based strategies of permanent housing and rapid rehousing along with targeting the best fit interventions to the appropriate subpopulation. The plan calls for an increase in permanent housing and a decrease in transitional housing. The CoC has reallocated 100% of our CoC funded transitional housing units to permanent housing programs, either rapid rehousing or permanent supportive housing. Based on the 2016 Consolidated Application (submitted in September, 2016), we no longer have transitional housing beds funded through the CoC, down from 854 units in the 2011 application. Since 2012, overall homelessness in Memphis and Shelby County has fallen by 27%. (Source: Community Alliance for the Homeless 2015 Point in Time Count.)

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The CoC's one-year goal to reduce and ending homelessness by looking to other low-income and subsidized housing programs to meet our goal for additional housing opportunities. This includes continuing to partner with the local housing authorities to create a preference for households experiencing homelessness. We are preparing a protocol on how to best implement this preference. We are looking at other communities that have successfully implemented the preference. In addition, we are identifying and engaging with HUD-assisted multi-family property owners to educate them on the process of designating a homeless preference for their projects. Part of this process includes support from the CoC to the owners in the implementation of the preference and maintaining the role of coordinating the process.

The community's outreach and engagement approach includes a 24/7 phone-based hotline, two walk-in centers, and roving street outreach presence. For families with children, we have a centralized intake that screens, on average 177 families per month and our phone-based hotline receives 318 calls/month. The central intake number is based on the average for FY16. These numbers are believed to be lower than prior years due to increased telephone screening and community awareness that divert families who are not literally homeless walked in for services. Those who do not meet HUD's definition of literally homeless are receiving mediation and other prevention services. Through Rapid Rehousing efforts, the community is housing an all-time high number of families. As a result, families are not timing out of shelter and coming back in for another shelter placement.

Recently, through implementation of the Coordinated Entry system for individuals, a team that includes street outreach and housing providers, meets weekly to discuss and prioritize the vulnerable unsheltered individuals using a "By Name List". This has brought to light the importance of street outreach and the need to enhance funding for outreach and SOAR activities. SOAR is an approach for people who were experiencing or at risk of homelessness to have quick access to SSI/SSDI benefits. We

expect to pursue funding to expand and enhance our street outreach presence in the coming years. We have also established an electronic assessment and referral tool (www.memphishomelessoptions.org) to maximize our existing resources and make it easier for people experiencing homelessness to seek help.

Addressing the emergency shelter and transitional housing needs of homeless persons

Memphis has identified the need for free/no fee emergency shelter especially for single women and families with children. In the 2015 CoC Competition, the Memphis/Shelby County CoC did not receive renewal funding for 31 units of transitional housing for households with children. We are developing a strategy to obtain funding for additional units of emergency shelter to cover the deficit.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The US Veterans Administration awarded two local providers, Catholic Charities of West Tennessee and Memphis Area Legal Services, funding in the amount of \$1.3 million to launch a Rapid Rehousing initiative under the Supportive Services for Veteran Families (SSVF) program. Approximately 60% of those receiving assistance under the program are homeless households with a veteran, and 40% are households that are imminently homeless. Families receiving assistance through this initiative, along with the Rapid Rehousing programs operated by other service providers, experience shorter homeless episodes than other families, and based on newly released research, have lower rates of return to homelessness than other similar households.

We currently have a total of 2,192 units of permanent housing including 1,003 units for chronically homeless individuals and families. In addition, in the recently announced awards from the 2016 HUD CoC Competition, we received an additional 15 units of permanent supportive housing for veterans and 3 Rapid Rehousing program grants that will serve a total of 331 households including 20 beds for Transition Age Youth (18-24). These units are expected to become available near the end of Spring 2017.

Alliance Healthcare Services launched a 3-year program to provide services to homeless veterans and other chronically homeless individuals. The services are delivered using a Critical Time Intervention (CTI) model of case management. CTI is a time-limited evidence based practice (EBP) that focuses on transitioning people from the streets and shelters into permanent housing. The services are designed to

help individuals successfully navigate the difficult transition from homelessness to housing. The program has been used effectively with veterans and people with substance abuse or co-occurring disabilities. This program is in its final year and is expected to serve 80 households during this final year. The agency has identified a SAMSHA grant that will allow the program to continue. If funded, the services could continue up to 5 additional years.

In an effort to prevent a return to homelessness for individuals who were chronically homeless, we continue to maintain a Housing First Assertive Community Treatment (ACT) team. The team provides intensive, integrated treatment for dually diagnosed chronically homeless individuals who reside in permanent housing. This team, supervised by Alliance Healthcare Services includes mental health professionals, physical health professionals, case managers, and peer support specialists. AHS serves at least 80 individuals who are housed with permanent supportive housing providers. The services we expect people leaving institutions to need are housing, community based mental health counseling and treatment, physical health care, employment services, substance abuse counseling and treatment, disability benefit application assistance, and legal advocacy/services.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Memphis/Shelby County Emergency Housing Partnership will serve approximately 40 families (147 individuals) with homeless prevention assistance in the upcoming year through the Emergency Solutions Grant program. Additionally, 40% of households served through the SSVF program will receive prevention assistance. In 2016, MIFA's central intake triaged 3,491 families and provided emergency services of with rent, mortgage or utility assistance to prevent homelessness. MIFA helps mediate with families who avoid homelessness as a result. MIFA Emergency Services program is expected to assist over 4,000 families.

Our partnerships with the public institutions including the Department of Children's Services (DCS), corrections, and hospitals continue to improve. We have developed a collaborative partnership with the DCS Regional Administrator. DCS has a funding mechanism that can be used to pay rental assistance to families whose only barrier to family reunification is homelessness. CAFTH and MIFA are working with DCS to help them learn the components of the Rapid Rehousing model. We are also working with the state DCS to develop a mechanism to prevent homelessness for youth aging out of foster care.

We are currently implementing a pilot with a local hospital to design and implement a service pathway that effectively addresses housing and supportive service needs by leveraging CAFTH's Coordinated Entry System. Members of the Coordinated Entry system are individual nonprofits and behavioral health

providers that offer services to address the range of needs of homeless individuals. As the local homeless services intermediary, CAFTH is responsible for coordinating services across providers, streamlining the intake process for homeless individuals, providing a shared case management system, and administering overall quality assurance for the network.

We would like to secure funding and a non-profit sponsor that could provide respite care to those who are homeless and have had or are awaiting surgery or other medical procedures that make it unsafe for them to discharge to homelessness.

Discussion

The homeless and other special needs section was developed with the assistance from the Community Alliance for the Homeless. Since Shelby County is not a recipient of ESG grant funds, it has insufficient resources for direct expenditures to carry out homeless reduction activities. Efforts to address these issues are coordinated with the City of Memphis and the Community Alliance for the Homeless.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

Based on the 2011 Shelby County Analysis of Impediments to Fair Housing, the following are public policy related barriers to affordable housing:

Land Acquisition Costs. High cost makes affordable housing development in the urban county very difficult, if not impossible.

Tax Rates for Rental Housing Make It Difficult to Provide Decent, Affordable Housing. The tax rate for multi-family rental housing is substantially higher than the rate for single-family housing.

Lack of other resources and incentives to develop affordable housing in the consortium area. There are little or no other governmental or philanthropic resources or incentives for affordable housing development within urban county.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Land Acquisition Costs. SCDH anticipates using HOME CHDO funds to assist nonprofit affordable housing developers with costs, including acquisition costs, necessary to create affordable housing opportunities. Tax Rates for Rental Housing Make It Difficult to Provide Decent, Affordable Housing. SCDH intends to coordinate efforts with THDA to make information available about Tax Credits, their use in Shelby County and other State programs available at the local level, including outreach workshops to provide direct information on both state and local initiatives.

Lack of other resources and incentives to develop affordable housing in the consortium area. SCDH intends to leverage nonfederal resources, (e.g. state and local funds for downpayment assistance) to meet affordable housing needs. SCDH also intends to continue assisting philanthropic efforts to meet the housing needs of low-income and special needs groups (e.g. the Plough Foundation's Aging in Place Initiative).

Discussion

Barriers to affordable housing coincide with many impediments to fair housing, as protected classes often are low-income and face disparate impacts by virtue of income as well as race or other protected classes. As a result, the identified barriers to affordable housing mirror some of the impediments to fair

housing.

AP-85 Other Actions – 91.220(k)

Introduction

Shelby County plans other actions during the Program year including actions to address obstacles to meeting underserved needs, to foster and maintain affordable housing, to reduce lead-based paint hazards, to reduce the number of poverty-level families, to develop institutional structure, and to enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

SCDH will continue to work with and coordinate activities with the Shelby County Community Services Agency (CSA) in their efforts to meet the underserved needs in the Shelby County Urban County Entitlement Area. CSA offers various programs targeting individuals and families with low- to moderate-incomes such as rent/mortgage assistance, utility assistance, and referrals for the homeless population. Additionally, SCDH will provide referrals as necessary to the Aging Commission of the Mid-South. The Aging Commission provides assistance to the senior population of Shelby County through programs including Alzheimer's service, home care, legal assistance, long term care ombudsman services, nutrition services, public guardianship, and transportation.

Finally, the SCDH will continue to coordinate with the Plough Foundation's Aging Initiative Bringing awareness to the comprehensive needs of the older citizens of our community needs to be a strategic priority because of its profound impact on our society.

Actions planned to foster and maintain affordable housing

The two goals emphasizing fostering and maintaining affordable housing are:

- Preserve the existing housing stock and create opportunities for affordable housing, and
- Reduce the harmful affects of lead-based paint.

These goals will be accomplished through the rehabilitation of housing in the Urban County and addressing lead-based paint hazards and providing healthy homes interventions (including repairs to address deteriorated painted surfaces) in eligible homes in Shelby County having children less than 6 years of age.

Actions planned to reduce lead-based paint hazards

During the program year, SCDH will continue to implement the Lead Hazard Control Program funded in part by a 2016 Lead Hazard Control Grant through the HUD Office of Healthy Homes and Lead hazard Control. Furthermore, through the Housing Rehabilitation Program, SCDH will continue to complete

lead-based paint risk assessments on all target housing with rehabilitation work being completed in accordance with the HUD Lead Safe Housing Rule. Finally, SCDH will require any housing rehabilitation conducted using HOME CHDO set-aside funds to comply with the HUD Lead Safe Housing Rule as well.

Actions planned to reduce the number of poverty-level families

SCDH plans to provide supplemental assistance in the form of housing rehabilitation, minor home repair and lead-based paint hazard controls to reduce housing costs among low- and moderate-income households, including the impoverished. SCDH plans to provide supplemental assistance in the form of housing rehabilitation, minor home repair and lead-based paint hazard controls to reduce housing costs among low- and moderate-income households, including the impoverished.

Additionally, the primary aim of Shelby County Government's Community Services Agency (CSA) is breaking the generational cycle of poverty requires changes in attitude, living conditions, education, and aspirations of its victims.

Working with nonprofit organizations, other branches of government, other governmental agencies, and citizen committees, the agency plans and carries out programs for low-income residents. These programs emphasize self-help.

Actions planned to develop institutional structure

As the primary organization responsible for the administration of funds, implementation of projects and programs, and the expenditure of all grant allocations, SCDH will coordinate efforts and activities within the Urban County community. This coordination will involve the administration and delivery of all CDBG and HOME funds as well as activities funded with these funds. SCDH operates under the direct authority of the Mayor of Shelby County and will continue to be advised by the UCC. Shelby County Government will contract with the respective municipalities for all community development projects during the program year and will directly administer and/or deliver those programs/projects associated with Housing Rehabilitation and Minor Home Repair. This structure will enable all municipalities and Shelby County to have direct control of these funds. The Mayor of Shelby County, representing the Entitlement Area as a whole, will have final approval of all expenditures.

During the 2017 Program Year, SCDH will continue to take advantage of upcoming training opportunities for staff directly involved in the delivery and administration of funds. SCDH will also provide training to the staff of its Urban County partners as requested in order to insure that participating municipalities are aware of their responsibilities under the entitlement programs.

Actions planned to enhance coordination between public and private housing and social

service agencies

In order to enhance coordination between public and private housing and social service agencies during the year, SCDH will continue to strengthen existing and seek out and solidify new partnerships with housing, health, and social service agencies that will enable Shelby County to make progress towards achieving the goals of the Consolidated Plan. Furthermore, the department will continue to work with local non-profits, CHDOs, and other agencies carrying out housing and community redevelopment efforts in order enhance overall coordination of activities at the local level.

Discussion

In addition to these other described actions planned for the program year, SCDH intends to continue addressing impediments to fair housing identified in the Shelby County Analysis of Impediments to Fair Housing and also plans to continue efforts to provide outreach and training to Section 3 contractors.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed was estimated based on an average of program income accrued to previous years as reported in the last three Consolidated Annual Performance Reports (CAPERs). SCDH will not be receiving any Section 108 loan proceeds, surplus funds from urban renewal settlements, grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan, or income from float-funded activities.

SCDH does not plan to expend funds on any Urgent Need activities. SCDH intends to use 100% of CDBG funds (subject to the low/mod benefit calculation) for activities that benefit persons of low- and moderate-income.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| | |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

No HOME funds will be used as forms of investment that are not described in Section 92.205. SCDH will leverage the use of HOME funds through its partnerships with CHDOs who will provide private sources of funding.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

When HOME funds are utilized for a homebuyer activity, contracts and restrictive covenants will ensure affordability of units acquired with HOME funds. Developers will be required to include a recapture provision in all agreements in order to ensure affordability. When new construction occurs using HOME funds, the affordability period will be determined as follows:

- 5 years when using less than \$15,000 in HOME funds,
- 10 years when using \$15,000 to \$40,000 in HOME funds, and
- 15 years when using more than \$40,000 in HOME funds.

If the property is resold or foreclosed upon during the designated period to a buyer who is not an

eligible low-income purchaser, SCDH will recapture the original amount of HOME funds invested from net sales proceeds. However, if proceeds are insufficient to recapture the full HOME investment plus enable the homeowner a fair return of personal funds invested in the downpayment, principal payments, and capital improvements, SCDH may allow recaptured HOME funds to be reduced on a pro rata basis as provided in the HOME Final Rule, or subsequent HUD regulations. All HOME contracts and restrictive covenants contain safe harbor language approved by HUD.

Prior to the sale of a HOME-assisted unit to a first-time homebuyer, the developer must provide SCDH with documentation regarding applicant eligibility, evidence property will constitute their principal residence, and copies of deed provisions regarding resale of the property providing it will remain affordable for the designated period and providing for recapture of HOME funds by SCDH if the property is not sold to an eligible low-income buyer.

Fair return includes seller's payments which are long lasting in nature and add to the capital value of the property. These include additions, upgrades or modifications, and/or improvements that increase the size of the property or create a material addition. Such activities need to be documented by approved permits evidencing completed improvements or executed improvement contracts. Adding appliances such as garbage disposals, water heaters, cabinets, electrical repairs, landscaping, plumbing fixtures, carpets, painting, kitchen exhaust fans, shower doors, and tub enclosures are not eligible for consideration. These guidelines are placed in agreements with developers who shall include references to the recapture guidelines in associated sales contracts, deeds of trust, mortgages, and deed restrictions.

- When the initial homebuyer sells the HOME assisted unit to a non-eligible family, the seller will be entitled to pay-off of first/second mortgages, recover investment (or downpayment), and documented capital improvements expenses in that order. If proceeds remain, SCDH shall recapture the pro rata share of HOME subsidy that remains on a straight-line declining basis.

- The sales price may not prevent a low-income family from purchasing the home. In each case, the following applies in order: the seller can pay-off a first/second mortgage, the seller must determine if he will lower the sales price to comply with HOME regulations governing resale to eligible low-income families or, should proceeds remain, the seller is entitled to recover out-of-pocket downpayment costs and documented capital improvements expenses. If proceeds remain, SCDH shall recapture the pro rata share of HOME subsidy that remains on a straight-line declining basis. The amount repaid shall be reduced by a pro rata fraction according to the anniversary of the closing date.

- If homeowner does not comply with the recapture option, has not made capital improvements, and seeks to sell the property at a price beyond the affordability of a low-income purchaser, the seller will be entitled to pay-off of first/second mortgages. Remaining proceeds may be recaptured

by SCDH in an amount up to the full amount of the HOME subsidy assistance.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Units acquired with HOME funds are primarily associated with the CHDO program. In an effort to maintain the focus of the HOME Program, CHDOs shall include a provision in deeds of trust that ensures the housing unit assisted with HOME funds is maintained as an affordable housing unit for low-income families throughout the period of affordability. The deed of trust will need to have legal language in it that indicates whether the recapture or resale option was selected.

Recapture: The legal mechanism used to enforce the repayment of all or a portion of the direct HOME subsidy if the homeowner decides to sell the house within the affordability period. In selecting the recapture option the homeowner may sell the property to any willing buyer. The City requires full repayment of the direct HOME subsidy when resale occurs during the affordability period.

Resale: This option ensures that the HOME-assisted unit remains affordable over the entire affordability period. Therefore if the house is sold the new purchaser must be low-income in accordance with HOME regulations and the house must be the buyer's principle residence.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:
SCDH will not be using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

Discussion

SCDH will continue to market programs in an effort to attract more minority contractors. Currently, in an effort to recruit maximum minority participation, SCDH encourages minority contractors to get their General Contractors License, advertises rehabilitation bids in the local newspaper, runs public notices soliciting contractors (especially MBEs and WBEs) to participate in rehabilitation programs, provides direct mailings for each bid package to contractors on the rehabilitation vendors list and continuously seeks other methods of recruiting minority general contractors who can bid on larger rehabilitation activities. SCDH also works with the Shelby County Equal Opportunity Compliance Office and the Purchasing Department to ensure that minority-and women-owned firms take advantage of Shelby County's Locally-Owned Small Business Program (LOSB). During the program year, SCDH will continue to enroll and assist MBEs and WBEs to become more competitive and successful in the local market.

Attachments

Citizen Participation Comments

No citizen comments were received in response to the Public Hearings held January 24, 2017 and April 18, 2017.

Program Year 2017

**Planned Activities to Address Impediments to Fair Housing in order to
Affirmatively Further Fair Housing**

Impediment # 1. There is an inadequate supply of decent, affordable housing for people of low and moderate income in Shelby County, as a whole, and particularly in areas outside the City of Memphis.

SCHD will communicate with Shelby County Land Bank to discuss and facilitate the development of affordable housing with properties acquired through tax sale. SCHD will also work with local CHDO's to discuss ways to add more affordable housing units county wide.

Impediment # 2. There is a lack of accessible housing for people with disabilities throughout Shelby County.

SCHD will continue to work with organizations such as The Memphis Center For Independent Living and others groups who work with citizens with disabilities to market our in-house programs such as rehab and down payment assistance to help individuals get into affordable housing and make their existing homes more visitable and handicap accessible. Shelby County will continue to work The Fair Housing Center through a \$50,000 contract to Sponsor more Quality Training on Accessibility Issues.

Any Residential Housing Supported With CDBG or HOME Funds Should Be Conditioned on Compliance With Visitability Standards.

The Department will incorporate Handicapped and Visitability standards into rehabilitation activities when the opportunity presents itself. This was a specific recommendation of the new AI and Shelby County will utilize its rehab program to take advantage of this opportunity when it presents itself. By modifying individual housing units through the rehab program, Shelby County can increase accessibility of housing stock over the long term for individuals in need of modified housing in order to live independently.

Impediment # 3. Rental property managers throughout Shelby County do not understand the duty to make reasonable accommodations for people with disabilities.

SCHD and the fair housing officer will utilize funds to contract with The Fair Housing Center to provide Much More Extensive Training to Landlords or Managers of Rental Housing regarding the Duty to Make Reasonable Accommodations for People with Disabilities.

Impediment # 4. There is abundant evidence of discriminatory lending throughout Shelby County, which ultimately denies protected class members housing choice and quality of life.

Contract with Memphis Area Legal Services/Memphis Fair Housing Center to: (1) provide assistance to low-income individuals who believe that they have experienced discriminatory actions related to securing housing within the Urban County; (2) assist the Housing Department in carrying out fair housing related workshops/seminars on relevant fair housing topics, (3) work to expand fair housing awareness throughout the Urban County, the public sector, and private sector. A minimum of \$50,000.00 will be invested in this activity, and (4) explore various testing procedures with landlords and housing agencies.

Impediment # 5. Discrimination and redlining in homeowners insurance affects housing affordability and quality of life for many protected class members.

Shelby County will engage in discussions with the City of Memphis and others to explore ways to execute an In-Depth Study of Homeowners Insurance Underwriting and how it affects affordability and quality of life for protected class members as part of the Assessment of Fair Housing to be under development during the program year.

Impediment # 6. Members of the Hispanic community in Shelby County are heavily concentrated in mobile home parks, which are in flood plains, where they are exploited because of language barriers and lack of sophistication in consumer issues.

According to the office of Construction Code Enforcement there are currently requirements in place that require mobile home parks which are in flood plains to be two feet above the flood plain. This was put in place after flooding that took place in certain areas.

Work with the Shelby County Hispanic/Minority Affairs Officer and housing organizations (such as United Housing, Inc.) who work with the growing Hispanic community to expand awareness of housing assistance programs throughout the Urban County community.

Impediment # 7. There is a Critical Shortage of Appropriate Rental Housing for Large Families throughout Shelby County.

While the County is limited by the fact that it (1) has no Housing Authority or access to Housing Choice Vouchers (both the City of Memphis), (2) does not issue Low Income Housing Tax Credits (the State of Tennessee), and (3) does not finance or directly subsidize housing construction (the result of limited funding and authority); the Department will not ignore these issues. The Department will work to address these issues by building on dialogue and partnerships between the public and private sector that were developed out of the Shelby County Greenprint and the Fair Housing Equity Assessment (FHEA) that was a part of that Regional Planning effort and seek new strategic opportunities through the development of the

Assessment of Fair Housing, in partnership with the City of Memphis, to get underway during the program year.

Impediment # 8. There is an inadequate public transit system throughout Shelby County, but particularly in areas outside the City of Memphis.

The Department will attend local Metropolitan Planning Organization (MPO) meetings in order to insure that transportation planning activities take housing issues in to consideration as part of the overall long range transportation planning process. As pointed out in the AI, transportation can be a major factor in a person's ability to secure housing of their choice. Typically, the MPO's Transportation Policy Board and its Engineering and Steering Committee meets each quarter during the year to focus on transportation and planning issues. Involvement in these meetings will increase the Department's involvement in the overall planning process and allow the Department greater input into how planning decisions can impact Fair Housing efforts in the community.

Impediment # 9.Exclusionary zoning prevents many members of protected classes from living in cities in the consortium.

The Shelby County Fair Housing Officer, will work with the Office of Construction Code Enforcement to Review Zoning Codes in Municipalities Within the Consortium to Identify any Provisions That Would Unnecessarily Exclude Protected Class Members and Meet with Local Officials to Consider Alternatives.

Impediment #10. Restrictive covenants in many planned developments in unincorporated Shelby County and cities in the consortium prevent many protected class members from living in the areas.

The Fair Housing Officer will partner with The Fair Housing Center to sponsor training and workshops to local developers.

Impediment # 11. There are virtually no traditional public housing units in Shelby County outside the City of Memphis.

Recommended Action # 11. Memphis Housing Authority should seek to participate in HUD's Small Area Fair Market Rent Demonstration Project and, possibly consider raising approved rental amounts to 120% of the established Fair Market Rents to Help Offset the Lack of Traditional Public Housing in the Consortium Area.

Impediment # 12. Shelby County does not have a Fair Housing Ordinance.

An ordinance has been drafted for consideration.

Impediment # 13. Shelby County no longer has a Fair Housing Officer.

The position for a Fair Housing Officer has been filled.

Impediment #14. Many Governmental Actions Have an Unintended Adverse Effect on Housing Choice or Create an Unintended Barrier or Impediment to Fair Housing.

SCHD will provide Down Payment Assistance to low-to-moderate individuals and families throughout Shelby County in an effort to increase their ability to secure homes of their choosing in a community of their choice. The Department of Housing will make available a minimum of \$500,000.00 in Down Payment Assistance funding during the program year which is projected to assist 150 individuals/families in purchasing a home of their choice.